

**LegCo Panel on Welfare Services
Request for Information at the Special Meeting on 29 October 2007**

Response of the Administration

At its Special Meeting held on 29 October 2007, the Legislative Council Panel on Welfare Services discussed the Lump Sum Grant Subvention System (LSGSS) and requested the Administration to provide further information. Our response to the request is set out below.

- (a) **the average starting salary levels of staff working in welfare Non-governmental Organisations (NGOs) on Lump Sum Grant (LSG) and those of their corresponding civil service grades after the implementation of the LSG subvention system :**

The Social Welfare Department (SWD) does not have this information.

Since the implementation of the LSGSS on 1 January 2001, the salary structures of staff in NGOs subvented under the LSGSS have been delinked from those of the civil service. The NGOs have flexibility in determining their own staffing structure and staff remuneration under the LSGSS, and are not required to report to SWD the number of staff they employ and their salary levels.

- (b) **the pay adjustment arrangements for NGO staff who had left the NGO concerned before the annual pay adjustment took effect, before and after the implementation of the LSG subvention system :**

Additional subventions to NGOs arising from civil service pay adjustments are calculated with reference to the same effective date as in the civil service and disbursed to NGOs retrospectively. This is the practice both before and after the implementation of the LSGSS.

Before the implementation of the LSGSS, NGO staff who left the employ of their NGOs after the effective date of salary adjustment but before the release of additional subventions were also included in the calculation of the additional subvention. Normally, NGOs would give backpay to these staff, unless this was not in accordance with their human resource management policy, or that the staff concerned were dismissed on disciplinary grounds, in which case NGOs would not effect the backpay. SWD would claw back the surplus allocation from NGOs.

After the implementation of the LSGSS, NGOs have flexibility in determining their staff remuneration and the salary adjustment arrangements.